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November 10, 2009

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P. O. Box 541
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Re: Docket No. 2009-0161 – Application of Hawaiian Beaches Water Company, Inc. ("HBWC") for Review and Approval of Rate Increases; and Revised Rate Schedules.

Dear Parties:

Pursuant to the approved Regulatory Schedule, set forth in the Stipulated Procedural Order issued on October 26, 2009: (1) HBWC was to submit its Information Requests ("IRs") to the Division of Consumer Advocacy, Department of Commerce Consumer Affairs ("Consumer Advocate")¹ on November 2, 2009 ("Procedural Step No. 7"); (2) the Consumer Advocate is required to submit its responses to HBWC's IRs by November 9, 2009 ("Procedural Step No. 8"); and (3) HBWC is required to submit its Rebuttal Testimony by November 16, 2009 ("Procedural Step No. 9").

By letter dated and filed on November 2, 2009, HBWC, on behalf of the Parties, informed the Public Utilities Commission ("Commission") of the Parties' agreement to temporarily suspend Procedural Steps Nos. 7 to 9 (without waiving such steps) to provide them with the opportunity to hold settlement discussions and attempt to reach a settlement on all disputed issues. According to the Parties, "settlement of this matter should effectively promote the efficient and cost-effective allocation of each party's

¹HBWC and the Consumer Advocate are hereafter referred to as the "Parties."

Parties

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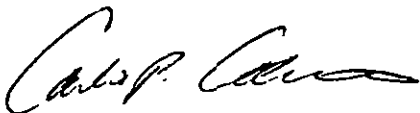
respective resources, and will save considerable time and expense and can expedite the Commission's review of the subject docket if a settlement can be reached on these issues without having to complete the remaining steps in the regulatory schedule."²

The Parties state that they will file a Stipulation of Settlement Agreement reflecting the terms of the settlement in accord with the Regulatory Schedule in the event that a settlement can be reached. However, in the event that a global settlement cannot be reached, the Parties state that they will seek Commission approval to amend the Regulatory Schedule, as necessary.

The Commission will treat the Parties' agreement to temporarily suspend Procedural Steps Nos. 7 to 9 as a motion for an extension of time to complete the procedural steps ("Motion"), pursuant to Hawaii Administrative Rules ("HAR") §§ 6-61-23 and 6-61-41.3. Upon review of Parties' Motion and consideration of all related matters, the Commission finds good cause to grant the Motion. Thus, the Commission hereby grants the Motion and approves the Parties' agreement to temporarily suspend Procedural Steps Nos. 7 to 9, as proposed. The remaining procedural steps in the Regulatory Schedule, including Procedural Step No. 10 which requires the filing of the Parties' Settlement Agreement (if any) to be submitted by November 23, 2009, are unchanged.

Should you have any questions regarding the above, please contact Ji Sook Kim at 586-2013.

Sincerely,



Carlito P. Caliboso
Chairman

CPC:LK:cp

²See HBWC's Letter dated November 2, 2009.

³Pursuant to: (1) HAR § 6-61-23(a)(1), the Commission for good cause shown may order a period enlarged if a written request is made before the expiration of the period originally prescribed; and (2) HAR § 6-61-41(e), motions that do not involve the final determination of a proceeding may be determined by the chairperson or a commissioner.